

50X1-HUM

CLASSIFICATION ~~RESTRICTED~~ **RESTRICTED**  
SECURITY INFORMATION  
CENTRAL INTELLIGENCE AGENCY  
INFORMATION FROM  
FOREIGN DOCUMENTS OR RADIO BROADCASTS  
REPORT   
CD NO. --

COUNTRY Rumania  
SUBJECT Economic - Trade  
HOW PUBLISHED Daily newspaper, monthly periodicals  
WHERE PUBLISHED Bucharest  
DATE PUBLISHED Jul - Oct 1951  
LANGUAGE Rumanian

**CONFIDENTIAL**  
AUG 18 1954

DATE OF INFORMATION 1951 50X1-HUM  
DATE DIST. 2/ Feb 1952  
NO. OF PAGES 3  
SUPPLEMENT TO REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF ESPIONAGE ACT 56 U. S. C., 31 AND 32, AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

SOURCE Newspaper and periodicals as indicated.

ASPECTS OF SOVIET PARTICIPATION IN RUMANIAN ECONOMY

This report discusses various aspects of CEMA (Council of Economic Mutual Assistance), Soviet participation in Rumanian foreign trade, the metallurgical industry, the electrical industry, petroleum, mining, Sovrom, and Siakhanovite methods.

Numbers in parentheses refer to appended sources.

Collaboration between the USSR and the Rumanian People's Republic has extended to the most diverse economic fields. The USSR has granted favorable credits and loans. The two countries have common industrial companies (Sovrom), common means of transportation, and reciprocal aid in geologic exploration and the exploitation of natural resources. They collaborate in the training of specialized personnel and the exchange of scientific and technical innovations. The USSR assists in the preparation of national economic plans and aids in their fulfillment by sending certain goods to Rumania.

The CEMA, created in January 1949, was formed to facilitate the exchange of goods on an equal basis between the USSR and the People's Democracies. Under this council the USSR has sent enormous quantities of raw materials and semimanufactured goods to Rumania. The volume of exchange is increasing rapidly. For example, trade between the two countries was 30 percent greater in 1950 than in 1949, and their agreements provided for payments of products in rubles. This factor constitutes protection against fluctuations in currency in the rest of the world and frees these countries from the pressure of the dollar. Similar agreements between Rumania and the other People's Democracies permit constant increase in the exchange of goods. For example, trade between Rumania and the Polish People's Republic was twice as great in 1949 as in 1945.(1, 2)

**CONFIDENTIAL**

- 1 -

**RESTRICTED**

CLASSIFICATION		<del>RESTRICTED</del>		DISTRIBUTION									
STATE	<input checked="" type="checkbox"/> NAVY	<input checked="" type="checkbox"/> NSRB											
ARMY	<input checked="" type="checkbox"/> AIR	<input checked="" type="checkbox"/> FBI											

~~RESTRICTED~~  
~~RESTRICTED~~  
CONFIDENTIAL

50X1-HUM

A few representative figures will serve to show how greatly Rumanian exports have increased since the establishment of CEMA and conversion to a planned economy. Rumanian exports increased from 2.2 percent of total production in 1938 to 15.1 percent of total production in 1949. The 1949 tonnage value of Rumanian exports was twice as great as in 1938, and the value of tonnage imported rose more than 40 percent in the same period.

Among the products exported in great quantity are forestry raw materials, such as logs and timber, and finished products, such as veneer, inlay, wooden musical instruments, prefabricated housing units, and other items.

While exports and imports between Rumania and the USSR and the People's Democracies are rising sharply, trade with the US and Marshall Plan countries is declining. For example, exports to the US and Marshall Plan countries were valued at 66.6 million dollars in 1938 and 15.2 million dollars in 1948. Imports declined from 74.9 million dollars in 1938 to 18.7 million dollars in 1948.(2)

Soviet aid in the economic and social construction of Rumania includes raw materials, means of production, technical, and diplomatic aid. Rumania has imported from the USSR coal, coke, iron, cotton, and other raw materials, thousands of railroad cars and locomotives, and industrial machinery. Soviet aid to the metallurgical industry has included machine tools such as lathes, fraying machines, planers, grinders, and compressors. The petroleum industry has received drills, mud pumps, drill bits, drilling shafts, and tractors. The mining industry has received pneumatic drills, corers, cutting machines, extracting machines, and mine railroad equipment.(1)

The latest Soviet machinery is now in use in some areas. The Soviet tunneling combine PPK-1 has achieved great success. A single combine has extracted as much as 11,000 tons of coal per month. A new coal plane which advances at a speed of 6-7 meters per minute and makes a cut 200-250 millimeters wide has been used. Other mining machines received from the USSR are the ZAL-1 combine, a coal-loading machine [an accompanying illustration resembles the Soviet O-5], the Karlik AK-1, a battery power-mining locomotive, and the SBM-3 stope drill.(3)

The mining industry has been aided not only by the shipment of materials, but also by the work of Soviet technicians in Rumania. The USSR has sent trained personnel to Rumania to aid in the discovery of new mines, as well as in the application of new methods. For example, in January 1951, two Soviet geologists, Kudrayashov [fnu] and Aleksandr Solov'yev, searching for new iron-ore deposits by air, located siderite deposits extending through the hills of Colanul and Varful for a radius of 10 miles.(4)

Imports from the Soviet Union in the electrical industry include equipment for thermal electric and hydroelectric stations capable of producing 300,000 kilowatts of power [sic], equipment for transformer stations, and other items. The chemical industry received pumps for sulfuric acid, gas meters, graphite electrodes, dyestuffs for use as laboratory reagents, and other products.

A new agreement signed in Moscow on 24 August 1951 will broaden the exchange of goods between the two countries. This agreement provides for the large-scale exchange of industrial equipment and technical aid for the period 1952 - 1955. The annual exchange of goods is to exceed the 1948 - 1951 annual average by 50 percent.

One of the most important means of Soviet aid to the RPR is through mixed Soviet-Rumanian enterprises (Sovrom). They are organized on the basis of equality between the two parties. Such organizations have been established in the fields of metallurgy, tractor industries, petroleum, gas, methane, wood, chemistry, constructions, river, maritime, and air transport, as well as other sectors. The

- 2 -

~~RESTRICTED~~  
~~RESTRICTED~~  
CONFIDENTIAL

50X1-HUM

~~CONFIDENTIAL~~ CONFIDENTIAL

fact that they are directed by Soviet specialists and technicians permits the introduction of Soviet knowledge in technical fields. These enterprises are not merely for economic development, but are instruments in the spread of socialism.

Finally, the USSR has given Rumania technical aid through the introduction and application of new methods of work, such as the Stakhanovite, Kotlyar, Kovalev, Narova, Zhandorova, and Korovnikova methods, introduced by visiting technicians such as Pavel Bykov, or presented in Soviet technical literature.(1)

SOURCES

1. Bucharest, Probleme Economice, Aug 1951, "The Vital Importance of the Soviet Union in the Construction of Socialism in Our Country," by Dan Pavel
2. Bucharest, Probleme Economice, Oct 1951, "Two Systems-Two Policies in International Economic Relations," by S. Verona
3. Bucharest, Stiinta si Tehnica pentru Tineret, Aug 1951
4. Bucharest, Romania Libera, 26 Jul 51

- E N D -

- 3 -

~~CONFIDENTIAL~~ CONFIDENTIAL